

Consumer Health Concerns and Their Impact on Food Demands

Wen Chern, Agricultural, Environmental, and Development Economics

Consumer acceptance is essential for success in marketing the genetically modified (GM) foods currently being produced. Consumer resistance to GM foods in Europe reflects, at least partially, the concerns about the uncertain long-term health effects of genetically modified foods.

A comprehensive consumer survey was developed to explore consumer attitudes toward GM foods and consumers' willingness to pay for GM foods. The survey considered such factors as consumer knowledge and awareness of biotechnology and GM foods, consumer attitudes and acceptance of GM foods, and attitudes toward GM food-related issues such as environmental concerns and pesticide usage. Respondents were also asked about their support for GM food labeling and the type of labeling they preferred.

As part of the survey, a scenario with food products and price combinations was presented. Respondents were then asked about their consumption of food products at different pricing levels and were given an opportunity to rank products with different GM contents and at different prices.

A pilot survey was conducted in Norway and the United States to determine and compare consumer attitudes.

OBJECTIVES

To measure the willingness of consumers to pay for GM or non-GM foods, such as vegetable oil, salmon, and corn-flake breakfast cereals.

ACHIEVEMENTS

Analysis shows varying attitudes toward the GM foods between Norway and the United States. Consumers in both countries are willing to pay premium amounts for non-GM vegetable oil, corn flake cereals, and salmon. These findings are very useful for assessing the potential markets for clearly labeled GM foods under a mandatory GM-food-labeling regulation which has been adopted in several countries including Norway.

Results clearly show that marketing of GM foods requires that they be priced substantially lower than their conventional counterparts. These results will be useful to the marketers, traders, and producers of GM foods as well as biotech firms. The impact of health-risk concerns on the demand for food clearly demonstrates that diet and health will continue to affect the food system in Europe and the United States in the future.

THE FUTURE

Funding from NRI-USDA in the amount of \$171,400 is being used to conduct a larger scale consumer survey in the United States and to collaborate and expand similar surveys in Norway, Japan, and Taiwan. The project will provide estimation and comparison of the consumer's willingness to pay for selected GM vs. non-GM food products in these countries.



This research was funded through the OARDC Research Enhancement Competitive Grants Program, which receives funding from dollars appropriated by the state of Ohio.